

Half Yearly Report (Un-Audited)
For the period ended June 30, 2023
KSB Pumps Company Limited



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Company Information

Board of Directors

Dr. Sven Baumgarten	Chairman
Imran Ghani	Chief Executive Officer / MD
Asif Malik	
Dieter Antonius Pott	
Ayesha Aziz	
Hasan Aziz Bilgrami	
Shahid Mahmood	
Sheikh Asim Rafiq	Nominee NIT

Company Secretary

Faisal Aman Khan

Management

Imran Ghani	Chief Executive Officer /MD
Muhammad Imran Malik	Chief Commercial Officer
Imran Ahmed	Chief Financial Officer
Fida Hussain	General Manager Operations
Omar Saljouk	General Manager Services

Auditors

A.F. Ferguson & Co.	Chartered Accountants
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Internal Auditors

Tariq Abdul Ghani Maqbool & Co.	Chartered Accountants
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Legal Advisors

Mandviwala & Zafar

Bankers

Allied Bank Limited
BankIslami Pakistan Limited
Bank Alfalah Limited
Deutsche Bank AG
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
United Bank Limited
Meezan Bank Limited
Bank Al Habib Limited

Audit Committee

Ayesha Aziz	Chairman
Dieter Antonius Pott	Member
Shahid Mahmood	Member

HR & R Committee

Asif Malik	Chairman
Imran Ghani	Member
Hasan Aziz Bilgrami	Member

Registered Office

16/2 Sir Aga Khan Road, Lahore - 54000.
Ph: (042) 36304173, 36370969
Fax: (042) 36368878, 36366192
Email: info@ksb.com.pk

Works

Hazara Road, Hassanabdal
Ph: (057) 2520236
Fax: (057) 2520237
Email: info@ksb.com.pk

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block B, SMCHS
Shahra-e-Faisal, Karachi-74000
Tel: (021) 111-111-500
Fax: (021) 34326053

Sales Offices

Lahore

16/2 Sir Aga Khan Road Lahore.

Ph: (042) 111 572 786, 36304173

Fax: (042) 36366192, 36368878

Email: info@ksb.com.pk

Multan

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Ph: (061) 111 572 786 Fax: (061) 4541784

Email: info@ksb.com.pk

Rawalpindi

Racecourse Landmark, 299-A, Main

Peshawar Road, Rawalpindi Cantt

Tel: +92 51 5491481-82 Fax: +92 51 5491237

Email: info@ksb.com.pk

Karachi

Plot No. 6, Sector 24, Main Korangi Road,

Korangi Industrial Area, Karachi

Ph: (021) 111 572 786 Fax: (021) 34388302

Email: info@ksb.com.pk

KSB Exclusive Partners

Sr.	Channel	City	Location	Province	Service Partners	Contact No.	Email
1	Dominar Engineers	Lahore	65-A Ferozpur Road Link Samanabad Road, near LOS	Punjab	Hammad Malik/ Syed Mehdi	0302-8744449/8 042-37500078	hammad.malik@dc.com.pk
2	B&I Engineering	Lahore	House # 6-E Skindar Mali Road Gulberg II, Lahore	Punjab	Imran Yousaf	0300-4056939 042-32801273	imran@biengr.com
3	Industrial Development & Engineering Associates	Karachi	20-C Mezzanine Floor, Indus Centre 14th Com st PH-II DHA	Sindh	Saqib Khawaja	0300-8203077 021-35390481/2	saqib@idea.com.pk
4	Modern Technology & Traders	Karachi	4th Floor, Building # 11-C2 Lane-11 Bukhari Commercial DHA Phase-6	Sindh	Abdul Qayyum	0333-7299905 0311-1000953 021-35156121-4	qayoomshaikh3@gmail.com
5	Wali Muhammad & Co.	Quetta	Zonkiram Road Near Millennium Mall	Balochistan	Wali Muhammad	0300-8387668 081-2829635	gulistanmachinery@yahoo.com

KSB SupremeServ - AUTHORIZED SERVICE PARTNER

Sr.	Channel	City	Location	Province	Service Partners	Contact No.	Email
1	Faisal Engineering Services	Lahore	140-Block D, Jubilee Town Lahore.	Punjab	Waqas Ahmed	0333-5549156 042-5231151	waqas@faisalengg.com
2	MASTek Associates	Faisalabad	4-A Koh-i-Noor City, Jaranwala Road, Faisalabad.	Punjab	Altaf Hussain	0321-7060604 041-5391835	mas@mascorporation.com.pk

DIRECTORS' REVIEW

I am pleased to present the financial statements of KSB Pumps Company Limited for the six months ended June 30, 2023.

Following a robust growth of 5.77% in the fiscal year 2021, Pakistan's GDP sustained its momentum into 2022, registering a commendable expansion of 6.1%. However, this trajectory experienced a significant downturn thereafter due to prevailing political instability, resulting in a notable deceleration to a mere 0.29% for FY 2023. The outlook for FY 2024 is expected to have a minor upward trajectory, with a projected economic growth of 2% (Source: ADB).

Inflation has shown upward trend for the fiscal year 2023 and remained elevated at around 29.4% in Jun 2023, although it is expected to contract in coming months of FY 2023. The combination of ongoing economic challenges and political uncertainties may influence the overall business activity, potentially leading to further slowdown.

In these trying circumstances, KSB Pakistan is committed to have a proactive approach to risk management and strategic planning, ensuring that our operations continue to adapt effectively and capitalize on emerging opportunities in this evolving landscape. These efforts are well translated during the first half of 2023 and KSB Pakistan achieved a remarkable turnover of PKR 2,886 million, reflecting a notable surge of 20% compared to the previous year. Notably, the profit before tax amounted to PKR 37 million, with a post-tax profit of PKR 11 million, translating to an earnings per share of Rs. 0.87.

Going forward, business prospects for KSB are very promising in Water as well as General Industry Market areas apart from a strong outlook for intercompany business. With a new workshop in Karachi and upcoming footprints in Lahore, the aftermarket business branded SupremeServ is expected to add to further business growth.

I would like to thank the Board for their continued support and guidance to KSB Management Team in achieving these positive business results in the 1st six months and look forward to closing the year 2023 on positive note.



Imran Ghani

MD/Chief Executive Officer

24th August, 2023
Lahore, Pakistan



A.F. FERGUSON & CO.

Independent Auditor's Review Report

To the members of KSB Pumps Company Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of KSB Pumps Company Limited as at June 30, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the three-month period ended June 30, 2023 and June 30, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended June 30, 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Amer Raza Mir.

A.F. Ferguson & Co.

Chartered Accountants

Name of engagement partner: Amer Raza Mir

Lahore

Date: August 29, 2023

UDIN: RR202310118D7nBJGWgd

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Tel: +92 (42) 3571 5868-71/ 3577 5747-50 Fax: +92 (42) 3577 5754 www.pwc.com/pk*

Condensed Interim Statement Of Financial Position As At June 30, 2023 (Un-Audited)

EQUITY AND LIABILITIES	Note	June 30, 2023 Un-audited	December 31, 2022 Audited
SHARE CAPITAL AND RESERVES			
Authorised capital 15,000,000 (December 31, 2022: 15,000,000) ordinary shares of Rs 10 each		150,000	150,000
Issued, subscribed and paid up capital 13,200,000 (December 31, 2022: 13,200,000) ordinary shares of Rs 10 each		132,000	132,000
Revenue reserves		1,891,096	1,879,662
		2,023,096	2,011,662
NON CURRENT LIABILITIES			
Employees' retirement and other benefits		77,514	85,214
CURRENT LIABILITIES			
Trade and other payables	4	2,485,002	1,961,983
Contract Liability		9,131	3,704
Short term finances - secured		1,434,552	1,592,954
Provisions for other liabilities and charges		64,130	72,786
Unclaimed dividend		10,644	10,644
Due to provident fund		8,274	4,388
		4,011,733	3,646,459
CONTINGENCIES AND COMMITMENTS			
	5	-	-
		6,112,343	5,743,335

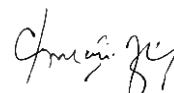
The annexed notes, 1 to 18, form an integral part of these condensed interim financial statements.



Chairman



Chief Executive



Chief Financial Officer

	Note	June 30, 2023 Un-audited	December 31, 2022 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	927,985	986,417
Intangible assets		198	275
Capital work-in-progress		29,868	9,279
Long-term loans and deposits		-	1,736
Deferred tax assets		72,008	65,986
		1,030,059	1,063,693
CURRENT ASSETS			
Stores, spares and loose tools		120,343	128,659
Stock-in-trade		1,398,925	1,194,265
Trade debts - unsecured	7	1,711,523	1,672,888
Contract Asset		535,560	622,696
Advances, deposits, prepayments and other receivables		732,005	449,688
Income tax recoverable		417,313	405,950
Cash and bank balances	8	166,615	205,496
		5,082,284	4,679,642
		<u>6,112,343</u>	<u>5,743,335</u>

Chairman

Chief Executive


Chief Financial Officer

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

For the three month and six month period ended June 30, 2023 (Un-audited)

	Note	Three month ended		Six month ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		(Rupees in thousands)		(Rupees in thousands)	
Sales	9	1,552,036	1,211,074	2,885,882	2,405,426
Cost of sales	10	(1,268,905)	(1,014,638)	(2,371,674)	(2,017,674)
Gross profit		283,131	196,436	514,208	387,752
Distribution and marketing expenses		(115,464)	(80,333)	(217,502)	(176,429)
Net impairment gain / (loss) on financial assets		1,323	(2,288)	9,863	(7,688)
Administrative expenses	11	(67,408)	(54,703)	(142,152)	(102,283)
Other operating expenses		(1,611)	(2,120)	(2,674)	(2,120)
Profit from operations		99,971	56,992	161,743	99,232
Other income		13,857	32,926	34,827	47,228
Finance costs		(86,587)	(60,395)	(159,666)	(106,184)
Profit before taxation		27,241	29,523	36,904	40,276
Taxation		(10,349)	(15,315)	(25,470)	(22,186)
Profit after taxation		16,892	14,208	11,434	18,090
Other comprehensive income		-	-	-	-
Total comprehensive income		16,892	14,208	11,434	18,090
Earnings per share - basic & diluted Rupees		1.28	1.08	0.87	1.37

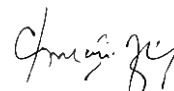
The annexed notes, 1 to 18, form an integral part of these condensed interim financial statements.



Chairman



Chief Executive




Chief Financial Officer

Condensed Interim Statement of Changes in Equity

For the six month period ended June 30, 2023 (Un-audited)

	Share Capital	General Reserves	Unappropriated Profit	Total
	(Rupees in thousands)			
Balance as at January 1, 2022	132,000	1,828,100	26,469	1,986,569
Final dividend for the year ended December 31, 2021 Rs 0.85 per share	-	-	(11,220)	(11,220)
Transfer to general reserve	-	15,000	(15,000)	-
Total comprehensive income for the period	-	-	18,090	18,090
Balance as at June 30, 2022	<u>132,000</u>	<u>1,843,100</u>	<u>18,339</u>	<u>1,993,439</u>
Balance as at January 01, 2023	132,000	1,843,100	36,562	2,011,662
Final dividend for the year ended December 31, 2022 Rs 0.00 per share	-	-	-	-
Transfer to general reserve	-	36,000	(36,000)	-
Total comprehensive income for the period	-	-	11,434	11,434
Balance as at June 30, 2023	<u>132,000</u>	<u>1,879,100</u>	<u>11,996</u>	<u>2,023,096</u>

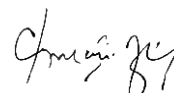
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Chairman



Chief Executive



Chief Financial Officer

Condensed Interim Statement of Cash Flows

For the six month period ended June 30, 2023 (Un-audited)

	Note	Six months ended	
		June 30, 2023	June 30, 2022
Cash flows from operating activities			
Cash generated from / (used in) operations	12	372,598	(134,152)
Finance costs paid		(141,007)	(76,925)
Taxes paid		(42,855)	(33,899)
Payments to worker's profit participation fund		(3,886)	(1,697)
Payments to worker's welfare fund		(2,386)	-
Employees' retirement and other benefits paid		(26,107)	(16,974)
Decrease in long term loans and deposits - net		1,736	370
Net cash generated from / (used in) operating activities		158,093	(263,277)
Cash flows from investing activities			
Fixed capital expenditure including capital work-in-progress		(43,221)	(69,840)
Proceeds from sale of property, plant and equipment		4,649	25,948
Net cash used in investing activities		(38,572)	(43,892)
Cash flows from financing activities			
Repayment of long term finances - secured		-	(129,704)
Dividends paid		-	(11,166)
Net cash used in financing activities		-	(140,870)
Net increase / (decrease) in cash and cash equivalents		119,521	(448,039)
Cash and cash equivalents at the beginning of the period		(1,387,458)	(1,316,214)
Cash and cash equivalents at the end of the period	8	(1,267,937)	(1,764,253)

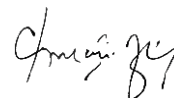
The annexed notes, 1 to 18, form an integral part of these condensed interim financial statements.



Chairman



Chief Executive



Chief Financial Officer

Notes to the Condensed Interim Financial Statements For the Three Months and Six Months Period Ended June 30, 2023 (Un-audited)

1. Legal status and nature of business

KSB Pumps Company Limited (a KSB group company) 'the Company' was incorporated in Pakistan on July 18, 1959 under the Companies Act, 1913 (now Companies Act, 2017) and is listed on the Pakistan Stock Exchange Limited. The Company is a subsidiary of KSB SE & Co. KGaA and principally engaged in the manufacture and sale of industrial pumps, valves, castings and related parts and after market services. The registered office of the Company is situated at KSB Building, 16/2 Sir Agha Khan road, Lahore. The factory of the Company is situated at Hazara Road, Hassanabdal. The Company also has regional offices located in Lahore, Rawalpindi, Karachi and Multan.

2. Basis of preparation

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International accounting standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of (IAS) 34, the provisions and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information is un-audited and is being submitted to the members of the Company as required by Section 237 of the Companies Act, 2017 (the "Act").

The condensed interim financial statements do not include all the information required for annual financial statements including financial risk management information and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2022.

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended December 31, 2022.

Furthermore, the basis of significant estimates are same as those that were applied to the financial statements for the year ended December 31, 2022.

2.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

2.2.1 Standards, amendments and interpretations to approved accounting standards that are effective in current year or have been early adopted by the Company

Certain standards, amendments and interpretations to approved accounting standards are effective for the annual period beginning on or after January 01, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are not mandatory for the Company's accounting periods ending on July 01, 2023 and are not considered to be relevant to the Company's operations and are, therefore, not detailed in these financial statements.

3 Taxation

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

4 Trade and other payables

Trade creditors and accrued liabilities include amount due to holding company of Rs 809.50 million (December 2022: Rs 412.66 million) and associated undertakings of Rs 105.13 million (December 2022: Rs. 147.60 million). Further, it includes amount of Rs 331.85 million (December, 2022: Rs 589.70 million) as advance received from customers other than projects.

5 Contingencies and commitments

5.1 Contingencies

(i) There is no significant change in contingencies since the date of preceding published annual financial statements.

(ii) The Company has obtained bank guarantees amounting to Rs 631.47 million (December 2022: Rs 508.87 million) against the performance of various contracts.

5.2 Commitments

Letters of credit other than for capital expenditure approximately Rs. 729.62 million (December 2022: Rs. 241.52 million).

		Note	June 30, 2023 Unaudited (Rupees in thousands)	December 31, 2022 Audited
6	Property, plant and equipment			
	Opening book value		986,417	925,374
Add:	Additions during the period	6.1	22,632	238,786
			1,009,049	1,164,160
Less:	Disposals during the period (at book value)		(1,129)	(28,522)
	Depreciation charged during the period		(79,935)	(149,221)
			(81,064)	(177,743)
			927,985	986,417

	Note	June 30, 2023 Unaudited (Rupees in thousands)	December 31, 2022 Audited
6.1 Additions			
Buildings		-	18,420
Plant and machinery		-	26,786
Tools, jigs and attachments		-	-
Other equipment		8,351	109,724
Furniture and fixtures		1,785	3,025
Office machines and appliances		12,496	13,589
Vehicles		-	67,242
		<u>22,632</u>	<u>238,786</u>
7 Trade debts - unsecured			
Trade debts - unsecured	7.1	1,832,092	1,790,369
Less: Loss allowance		(120,569)	(117,481)
		<u>1,711,523</u>	<u>1,672,888</u>

- 7.1** Included in trade debts is an amount of Rs 101.20 million (2022: Rs 101.20 million) receivable from Punjab Saaf Pani Company. The Company had filed writ petition in the Honorable Lahore High Court on September 16, 2020 for recovery of the outstanding balances from the aforementioned Company, which is pending adjudication.

	June 30, 2023 (Unaudited) (Rupees in thousands)	June 30, 2022
8 Cash and cash equivalents		
Cash and cash equivalents comprise the following items:		
Cash and bank balances	166,615	120,594
Short term finances	(1,434,552)	(1,884,847)
	<u>(1,267,937)</u>	<u>(1,764,253)</u>

	Three month ended		Six month ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
9 Sales	(un-audited) (Rupees in thousands)			
Local sales	1,355,842	1,140,529	2,156,361	2,260,324
Less: sales tax	(216,429)	(163,681)	(350,085)	(311,785)
	<u>1,139,413</u>	<u>976,848</u>	<u>1,806,276</u>	<u>1,948,539</u>
Export sales	412,623	234,226	1,079,606	456,887
	<u>1,552,036</u>	<u>1,211,074</u>	<u>2,885,882</u>	<u>2,405,426</u>

	Three month ended		Six month ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
10 Cost of sales	(un-audited) (Rupees in thousands)			
Raw material consumed	859,271	588,309	1,574,839	1,158,983
Salaries, wages, amenities and staff welfare	98,217	84,249	194,907	173,067
Electricity and power	39,566	46,813	78,778	102,227
Stores and spares consumed	63,282	78,599	121,183	139,033
Insurance	4,757	1,727	9,515	3,441
Travelling and conveyance	20,090	10,535	36,787	21,012
Postage and telephone	2,870	1,676	3,771	4,178
Printing and stationery	882	4,211	1,655	4,561
Rent, rates and taxes	411	861	1,487	1,887
Repairs and maintenance	11,440	3,156	18,159	9,950
Legal and professional charges	-	4,250	875	4,250
SAP user license fee and other IT services	16,029	13,791	30,642	20,978
Packing expenses	10,444	13,072	18,116	26,818
Outside services	112,205	58,186	197,888	190,684
Depreciation on property, plant and equipment	36,142	34,206	73,049	67,839
Amortization of Intangible assets	-	1,016	-	2,032
Provision for obsolete stores and stocks	-	1,500	-	3,000
Warranties	7,976	1,864	8,430	6,340
Other expenses	1,067	(137)	2,221	2,515

	1,284,649	947,884	2,372,302	1,942,795
Opening work-in-process	413,546	656,080	444,421	648,779
Less: Closing work-in-process	410,673	577,720	410,673	577,720
Decrease / (Increase) in work in process	2,873	78,360	33,748	71,059
Cost of goods manufactured	1,287,522	1,026,244	2,406,050	2,013,854
Opening stock of finished goods	66,054	114,646	50,295	130,072
Less: Closing stock of finished goods	84,671	126,252	84,671	126,252
(Increase) / decrease in finished goods	(18,617)	(11,606)	(34,376)	3,820
	1,268,905	1,014,638	2,371,674	2,017,674

11 Administrative expenses

Administrative expenses include salaries, wages, amenities and staff welfare amounting to Rs. 73.34 million (June 2022: 57.59 million).

	Six month ended	
	June 30, 2023	June 30, 2022
	(Un-audited)	
	(Rupees in thousands)	
12 Cash generated from operations		
Profit before taxation	36,904	40,276
Adjustment of non-cash items:		
Depreciation on property, plant and equipment	79,935	73,069
Amortization on intangible assets	77	2,943
Profit on sale of property, plant and equipment	(3,520)	(5,655)
Employees' retirement and other benefits	18,407	14,805
(Reversals) / provision for doubtful debts and receivables	(9,863)	7,337
Amortization of deferred government grant	-	(3,179)
Provision for slow moving stock	-	3,000
Provision for worker's profit participation fund	1,938	2,120
Provision for worker's welfare fund	736	-
Finance cost	159,666	106,184
Provisions no longer considered necessary and unclaimed balances written back	-	-
Exchange gain - net	(9,984)	(21,642)
Profit before working capital changes	274,296	219,258
Effect on cash flow due to working capital changes (Increase) / decrease in current assets:		
Stores, spares and loose tools	8,316	(25,862)
Stock-in-trade	(204,660)	(85,446)
Trade debts	206,931	(36,933)
Contract asset	100,087	(100,966)
Advances, deposits, prepayments and other receivables	(282,317)	(26,253)
	(171,643)	(275,460)

Increase / (decrease) in current liabilities:

Trade and other payables	269,288	(24,407)
Contract liability	5,427	(17,334)
Due to provident fund	3,886	617
Provisions for other liabilities and charges	(8,656)	(36,826)
	269,945	(77,950)
	372,598	(134,152)

		Three month ended		Six month ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
13 Transaction with related parties					
				(un-audited) (Rupees in thousands)	
Relationship with the Company	Nature of transaction				
i. Associated Undertaking	Purchase of goods and services	362,144	106,663	552,187	218,130
	Sale of goods and services	412,623	229,213	1,079,606	443,412
	Commission income	2,379	1,255	2,936	1,587
	Commission expense	-	21,617	-	41,437
	Royalty and trademark	7,618	(3,804)	14,289	7,812
	SAP user license fee	27,588	23,737	52,739	36,107
ii. Post retirement benefit plans	Expense charged	8,137	15,749	17,340	23,943
iii. Key management personnel	Compensation	87,342	90,463	174,684	172,226

	June 30, 2023	December 31, 2022
Period end Balances		
Receivable from related parties	479,315	608,543
Payable to related parties	942,288	315,509

14 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements as at December 31, 2022.

There have been no changes in the risk management policies since the year end.

15 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Specific valuation techniques used to value financial instruments include:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As of reporting date, there are no Level 1, 2 or 3 financial assets or financial liabilities during the current period.

16 Date of authorization for issue

These condensed interim financial statements were authorized for issue on August 24, 2023 by the Board of Directors of the Company.

17 Events after balance sheet date

No material events have occurred subsequent to period ended June 30, 2023.

18 Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

'The corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. During the year the following major reclassifications were made:

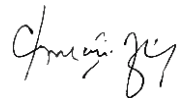
Reclassification from component	Reclassification to component	Three month ended June 30, 2022	Six month ended June 30, 2022
		(Rupees in thousands)	
Distribution and marketing expenses	Impairment losses on financial assets	2,288	7,688



Chairman



Chief Executive



Chief Financial Officer

مجلس نظماء کا جائزہ

مجھے 30 جون 2023 کو ختم ہونے والی ششماہی کے لیے KSB بپیس کمیٹی لمیٹڈ کے مالی گوشوارے پیش کرتے ہوئے خوشی ہو رہی ہے۔ مالی سال 2021 میں 5.77 فیصد کی مضبوط نمو کے بعد، پاکستان کی جی ڈی پی نے 2022 تک اپنی رفتار کو برقرار رکھا، جس میں 6.1 فیصد کی قابل ستائش توسیع درج کی گئی۔ تاہم، اس کے بعد موجودہ سیاسی عدم استحکام کی وجہ سے اس رفتار میں نمایاں کمی آئی، جس کے نتیجے میں مالی سال 2023 کے لیے محض 0.29 فیصد تک قابل ذکر کمی واقع ہوئی۔ مالی سال 2024 کے لیے نقطہ نظر میں 2% کی متوقع اقتصادی نمو کے ساتھ معمولی اضافہ متوقع ہے (ماخذ: ADB)۔

افراط زر نے مالی سال 2023 کے لیے بلندی کا رجحان دکھایا ہے اور جون 2023 میں یہ تقریباً 29.4 فیصد تک بلند رہی، حالانکہ مالی سال 2023 کے آئندہ مہینوں میں اس کے کم ہونے کی توقع ہے۔ جاری اقتصادی چیلنجوں اور سیاسی غیر یقینی صورتحال کا امتزاج مجموعی کاروباری سرگرمیوں کو متاثر، ممکنہ طور پر مزید سست روی کا باعث بن سکتا ہے۔

ان مشکل حالات میں، KSB پاکستان رسک مینجمنٹ اور اسٹریٹجک منصوبہ بندی کے لیے ایک فعال نقطہ نظر رکھنے کے لیے پرعزم ہے، اس بات کو یقینی بناتے ہوئے کہ ہم اپنے آپریٹنگز مؤثر انداز میں اپناتے رہیں اور اس بدلتے ہوئے منظر نامے میں ابھرتے ہوئے مواقع سے فائدہ اٹھاتے رہیں۔ 2023 کی پہلی ششماہی کے دوران یہ کوششیں کی گئی ہیں اور KSB پاکستان نے 2,886 ملین روپے کا شاندار ٹرن اوور حاصل کیا، جو پچھلے سال کے مقابلے میں 20% کے نمایاں اضافہ کی عکاسی کرتا ہے۔ قابل ذکر بات یہ ہے کہ، قبل از ٹیکس منافع 37 ملین روپے، جبکہ بعد از ٹیکس منافع 11 ملین روپے، نتیجتاً 0.87 روپے فی حصص آمدنی ہوئی ہے۔

آگے بڑھتے ہوئے، انٹرکینی کاروبار کے لیے مضبوط نقطہ نظر کے علاوہ، پانی کے ساتھ ساتھ جہز انڈسٹری مارکیٹ کے شعبوں میں KSB کے لیے کاروباری امکانات بہت امید افزا ہیں۔ کراچی میں ایک نئی ورکشاپ اور لاہور میں آنے والے فٹ پرنٹ کے ساتھ توقع ہے کہ آفٹر مارکیٹ بزنس برانڈ ڈیپریٹیم سرو کے کاروبار میں مزید اضافہ ہوگا۔

میں پہلی ششماہی میں ان مثبت کاروباری نتائج حاصل کرنے میں KSB مینجمنٹ ٹیم کی مسلسل حمایت اور رہنمائی کے لیے بورڈ کا شکریہ ادا کرتا ہوں اور سال 2023 کے مثبت نوٹ پر اختتام کا منتظر ہوں۔

M. Karim

عمران غنی

ایم ڈی / چیف ایگزیکٹو آفیسر

14 اگست 2023

لاہور، پاکستان

**BOOK POST
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